

Report for: Cabinet 13 November 2018

Title: Towards a new Housing Strategy

Report authorised by: Helen Fisher, interim Director of Housing, Regeneration and Planning

Lead Officer: Alan Benson, Head of Housing Strategy and Commissioning

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1. Haringey's Housing Strategy sets the direction of travel for housing in the borough, identifying overall objectives, targets and the means to achieving these.
- 1.2. Haringey's current Housing Strategy 2017-2022 was adopted in November 2016. Since then there have been significant changes to national and regional housing policy.
- 1.3. Haringey's administration were elected in May 2018 on a manifesto which included a number of housing commitments, including:
 - delivering 1,000 Council homes for families on the Council's waiting list
 - bringing 95% of Council homes up to decent homes standard
 - expanding the landlord licensing scheme
 - aiming to end street homelessness
- 1.4. The Council is currently consulting on a new draft Borough Plan, which will set the strategic vision for the borough over the next four years. The draft plan includes outcomes for housing in Haringey.
- 1.5. The existing strategy is no longer a good fit for the ambitions of the new administration. It is proposed that a new strategy is produced and, in advance of this, subject to a consultation exercise and a further decision of Cabinet and Full Council, Appendix C of the existing strategy that deals with affordable housing is amended, and Appendix D deleted, to better reflect the Council's new priorities.

2. Cabinet Member Introduction

- 2.1. Haringey's Labour councillors were elected in May on a bold manifesto, which recognised the importance of housing, and the work the Council could do in this area. We set five pledges for housing:
- To deliver a thousand new council homes by 2022
 - To review the planning targets and ensure new 'affordable' is genuinely affordable
 - To expand our landlord licensing scheme to cover all wards
 - To ensure that new housing for sale is made available to Haringey residents first, and
 - To aim to end street homelessness in Haringey by 2022.
- 2.2. Haringey's Housing Strategy set the strategic direction for housing in the borough. The Council last published a Housing Strategy in 2016. Since then, as well as a new administration with these new priorities and ways of working, there have been important changes at the national and regional level, with which our existing strategy is increasingly out of touch.
- 2.3. The Government has abandoned a number of its most contested proposed housing policies and there has been a renewed focus on social housing – prompted at least in part by the Grenfell tragedy. At the same time, the lifting of the HRA borrowing cap and the significant funding for new Council housing from the GLA transform the potential to develop Council housing. Haringey's successful bid for this funding means that we will be receiving £62.8m grant to deliver the Council homes the borough needs. And of course, we have also decided not to go ahead with the Haringey Development Vehicle, but instead to establish our own wholly owned housing company to help us deliver these homes.
- 2.4. Work on a new housing strategy is already underway, but to ensure our aims are consistent it needs to follow the adoption of the Borough Plan, reflecting and expanding on the housing aims in that document. In the interim, we are proposing that Appendix C of the current Housing Strategy be amended, to define more clearly what we mean by affordable housing. The new appendix is clear that our first priority is Council Rented homes and that we will ensure other affordable homes delivered in this borough will be affordable to our existing residents.
- 2.5. Developing a new housing strategy to address all our housing commitments will be a priority for us in 2019. I will establish a Member group to help guide this important work and I look forward to working with colleagues on this.

3. Recommendations

It is recommended that Cabinet:

- 3.1. Note the proposed changes to Appendix C of the Housing Strategy set out at appendix 1 of this report, and the deletion of Appendix D of the Housing Strategy.
- 3.2. Agree to officers conducting a consultation exercise on the proposed changes and deletion, as detailed at paragraph 6.36.
- 3.3. Note the proposed direction for a new Housing Strategy for Haringey, and the proposed process for developing the new strategy, as detailed at paragraph 6.29.

4. Reasons for decision

- 4.1. Haringey's Housing Strategy 2017-2022 was adopted in November 2016. Since then there have been significant changes to national and regional housing policy, as discussed at paragraphs 6.7-6.12 below.
- 4.2. Haringey's administration was elected in May 2018 on a manifesto which included a number of housing commitments, including:
 - delivering 1,000 Council homes for families on the Council's waiting list
 - bringing 95% of Council homes up to decent homes standard
 - expanding the landlord licensing scheme
 - aiming to end street homelessness
- 4.3. In addition, decisions taken since May 2018 have fundamentally altered the Council's approach to housing, notably:
 - The decision not to proceed with the Haringey Development Vehicle
 - The decision to set up a wholly owned company to help deliver 1,000 Council homes at Council rents
- 4.4. This means that the existing strategy, adopted in November 2016, is no longer a good fit with the ambitions of the new administration and there is a need to produce a new strategy to better reflect these. In advance of the development, consultation, and publication of this new housing strategy, it is proposed that Appendix C of the existing strategy is amended and Appendix D deleted to ensure the Council's housing policy framework reflects this changed environment, and the Council's new priorities.

5. Alternative options considered

- 5.1. An alternative option would be not to develop a new housing strategy. This was rejected since the local, regional and national context has changed to the extent that aspects of the former strategy have been rendered out of date.
- 5.2. Another alternative option is to develop a new housing strategy but not to amend Appendix C and delete Appendix D of the existing strategy. This was rejected since amending, and deleting, the appendices allows certain changes to take effect sooner, and because the Housing Strategy 2017-2022 was deliberately drafted in order to allow for these appendices to be amended during the course of the strategy so as to account for policy changes.

6. Background information

Haringey's Housing Strategy 2017-2022

- 6.1. Full Council agreed Haringey's Housing Strategy 2017-2022 ('the Strategy') on 21 November 2016, following agreement by Cabinet, and a public consultation. The Strategy forms part of the Council's key policy framework, and sits underneath the Corporate Plan 2014-2018.
- 6.2. The Strategy is built around 4 strategic objectives:
 - Strategic Objective 1: achieve a step change in the number of new homes being built
 - Strategic Objective 2: improve support and help to prevent homelessness
 - Strategic Objective 3: drive up the quality of housing for all residents
 - Strategic Objective 4: ensure that housing delivers wider community benefits
- 6.3. There is much in the Strategy that a future iteration would retain. However, it is undeniable that the context in which the Council finds itself, a few years on, is markedly different. This is firstly in terms of changes to the national and regional policy context, and the funding for housing available from Government and the GLA. Equally important are significant decisions that have recently been made at the local level, including the decision to not pursue plans for a joint venture to develop new housing on Council-owned land – the Haringey Development Vehicle. The Council has also decided to establish a wholly owned company for housing development and to set the delivery of 1,000 Council homes at Council rents as the top housing priority.
- 6.4. A new Housing Strategy needs to follow the adoption of the new Borough Plan. The Borough Plan is currently out for consultation and its subsequent adoption will be a decision of Full Council.
- 6.5. Since the Housing Strategy also forms part of the Council's Policy Framework, it also needs to be adopted by Full Council, on the recommendation of Cabinet. It is also subject to consultation. As it is also the strategic document underpinning the Council's main priority and biggest challenge over the coming years, work developing a new strategy must be undertaken carefully.
- 6.6. The current Strategy is supported by five appendices.

- Appendix A – Summary of Recent Legislation
- Appendix B – The Housing Strategy and the Local Plan
- Appendix C – Affordable, Intermediate and Specialist/Supported Housing Guidance
- Appendix D – Affordability
- Appendix E – Supporting Information

The Strategy deliberately provides for Appendices C and D to be amended over the life of the strategy. Appendix C of the Strategy has already been amended once, in March 2018, to take account of the Intermediate Housing Policy Statement.

Changed policy context – national

- 6.7. There have been a number of changes to the national policy context since the Housing Strategy 2017-2022 was adopted, due to which the Strategy is now out of date. This includes policies on pay to stay, the forced sale of higher value council homes and fixed term tenancies – which have all been dropped. The Government has shifted funding from the former Affordable Rent product to Social Rent and stopped any new conversions of existing Social Rent to Affordable Rent. It has also enacted the Homelessness Reduction Act, replaced Temporary Accommodation Management Funding with the Flexible Homelessness Support Grant and published a national rough sleeping strategy.
- 6.8. The Social Housing Green paper, published in August 2018, was not as significant as had been promised. However, it is a clear sign that the national mood concerning social housing has shifted since November 2016, in particular since the Grenfell Tower fire.
- 6.9. In addition, on 3 October 2018 the Prime Minister announced that the Housing Revenue Account (HRA) borrowing cap would be removed, which was confirmed on 29 October 2018. The announcement is a clear sign that Government is keen to see Councils take a bigger role in delivering new social housing.

Changed policy context – regional

- 6.10. At a London level, there is now much more funding for housing that is more affordable, as set out in the Mayor of London's 'Building Council Homes for Londoners' programme. This provides a higher grant rate for new Council homes at Council rents. This makes the building of new Council homes a much more deliverable aim than it was in November 2016. Haringey has been granted £62.8m with which it aims to build 848 affordable homes, including 567 Council homes at Council rents, subject to approval by Cabinet.
- 6.11. The Mayor has introduced a new form of general needs housing - London Affordable Rent. This is an affordable housing product with rents based on, but somewhat higher than, social rents, which replaces the more expensive Affordable Rent, which had rents set at up to 80% of local market rents. It is likely that Housing Associations will seek to build most of their new general needs housing at London Affordable Rent levels.

- 6.12. The Mayor has also introduced a new form of intermediate housing – London Living Rent. Rents are set at a third of local incomes at a ward level, and there is the option to buy the home. As an intermediate tenure, it is aimed at local households on median incomes. The Mayor will also continue to fund new homes for Shared Ownership.

Changes in Haringey

- 6.13. The Council made delivering 1,000 new Council homes at Council rents one of its top housing priorities. In order to facilitate this, the Council agreed at its July 2018 Cabinet to establish a wholly owned company for housing development, which will seek to maximise the use of Council-owned land to deliver these homes. Further proposals for the Council's housing delivery programme are set out in a report also on the agenda for consideration at Cabinet on 13 November 2018.
- 6.14. The Council has also decided not to pursue previous plans for a joint venture to develop new housing.
- 6.15. Other housing priorities from the new administration include:
- bringing 95% of Council homes up to decent homes standard
 - expanding the landlord licensing scheme
 - aiming to end street homelessness

New Borough plan

- 6.16. A new draft Borough Plan was approved by Cabinet on 9 October 2018 and is currently out for consultation, and Haringey's new Housing Strategy will flesh out the housing outcomes in that Plan. These are currently proposed as:
- We will work together to deliver the new homes Haringey needs, especially new affordable homes
 - We will work together to prevent people from becoming homeless, and to reduce existing homelessness
 - We will work together to drive up the quality of housing for everyone

Delivering new homes

- 6.17. The objectives of the new draft Borough Plan are proposed as follows:
- Deliver as many new, good quality homes of all kinds as we can, in good quality neighbourhoods, getting as close as possible to the Mayor's emerging target for Haringey of 1958 new homes every year
 - Ensure that new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the Borough, prioritising new social rented homes
 - Deliver 1,000 new Council homes at Council rents by 2022
 - Secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough

- 6.18. As well as noting the new homes needed in the borough, the draft plan specifically focuses on the delivery of new affordable homes. The Council will do this in part through its wholly owned company, which has the primary aim of maximising the development of social rented housing in the borough. Funding has been secured from the GLA to support this programme.
- 6.19. In order to ensure that new homes are affordable to Haringey's residents, the Council will be clear that social rented homes will be a greater priority and that Haringey's planning policies will be applied to seek the maximum number of social rented homes being delivered within the wider affordable housing mix.
- 6.20. A more diverse range of intermediate homes will be encouraged, including intermediate rented products at London Living Rent levels.

Preventing and reducing homelessness

- 6.21. The objectives of the new draft Borough Plan are proposed as follows:
- Reduce the number of households in temporary accommodation by a third to under 2000 by 2022
 - Where temporary accommodation can't be avoided, improve the experience of homeless families and minimise costs by reducing the Council's reliance on providers of nightly paid emergency accommodation
 - Aim to end street homelessness by 2022
 - Ensure access to high quality housing support that prevents or relieves homelessness for people with additional needs
- 6.22. Haringey's Homelessness Strategy and Rough Sleeping Strategy were agreed by Cabinet in March 2018, and present the Council's approach, along with its partners, to prevent homelessness and rough sleeping, and to reduce the numbers of households living in temporary accommodation. The Council is currently developing a Single Homelessness Hub to bring together key services to tackle homelessness and rough sleeping among single people.
- 6.23. The Council will also improve the experience of living in temporary accommodation. Through the establishment of a Community Benefit Society, it will municipalise and improve existing private stock to deliver better quality and more local homes for homeless families. Other linked initiatives being explored include a partnership with a private sector partner to set up a Purchase Repair and Management Company and joining the London-wide Capital letters project to jointly procure rented accommodation for homeless families, which Cabinet gave in principle approval for on 9 October 2018.

Improving the quality of housing

- 6.24. The objectives of the new Borough Plan are proposed as follows:
- Improve the quality of Haringey's Council housing, including by ensuring that a minimum of 95% of homes meet the Decent Homes Standard by 2022
 - Improve residents' satisfaction with the service they receive from Homes for Haringey to be in the top quartile for London (78%) by 2022

- Improve the quality of private rented housing and the experience of those living it, including by expanding landlord licensing and associated enforcement
 - Ensure safety and improve conditions of housing in all tenures across the borough
- 6.25. Currently only 81% of Council housing meets the Decent Homes standard. Over the next four years, the Council will set a higher bar than Decent Homes, taking into account a wider range of measures including the quality of shared and public spaces on estates, and will invest in order to bring this figure up to 95%. The Council and Homes for Haringey will also work to improve resident satisfaction with the housing management service.
- 6.26. The Council will work to improve the experience of being a private renter in Haringey. It will develop a private rented sector strategy, which will include expanding the proposed licensing schemes, naming and shaming criminal landlords, promoting a more professional private rented sector and supporting local people to access and maintain private rented housing.
- 6.27. Finally, the Council will work to ensure safety standards are maintained and improved in homes in all tenures in the borough, leading by example and working closely with partners.
- 6.28. There are a number of more detailed housing policy considerations that are not considered in the Draft Borough Plan, for example the Council's allocations policy and tenancy strategy. Changes to these would require consultation, which would be undertaken as part of the development of the new housing strategy. This could include the Council's policy on the allocation of, and priority for, general needs, supported and intermediate housing.

Process for a new Housing Strategy

- 6.29. A new Housing Strategy will be developed over the course of 2019, with a new Member group established to guide its development. Following this, a draft for consultation will be recommended to Cabinet. After a period of formal public consultation, a final version will be recommended to Cabinet and to Regulatory Committee. Once Cabinet and Regulatory Committee have agreed the final strategy, it will be recommended to Full Council for agreement.

The appendices of the Housing Strategy 2017-2022

- 6.30. The Housing Strategy 2017-2022 includes five appendices. The Strategy deliberately provides for Appendices C and D to be amended over the life of the Strategy, independent of the Strategy itself. Appendix C of the Housing Strategy was already amended, in March 2018, to take account of the Intermediate Housing Policy Statement.
- 6.31. Further amendments are now proposed to Appendix C. It is also proposed that Appendix D is deleted to take account of the changed policy landscape.

Appendix C of the Housing Strategy 2017-2022

- 6.32. It is proposed to amend Appendix C of the Housing Strategy, including to reflect:
- The incorporation of the proposed key lines on the delivery of new housing from the draft Borough Plan, in particular the commitment to new Council homes at Council rents, which does not appear at all in the existing Strategy.
 - The establishment of a wholly owned company and that the Council – including via the company - will develop new affordable housing in the borough.
 - An acceptance and welcoming of other providers of affordable housing, and recognition that they may deliver a different housing tenure mix, and that they will continue to be the main provider of new affordable housing in the borough.
 - Clearer definitions of types of affordable housing and guidance on affordability and bed size mix.
 - That the Council's preference for low cost rented housing for general needs is for social rent at target rent levels – rather than Affordable Rent and London Affordable Rent.
 - That the Council's preference for intermediate housing is usually intermediate rent at London Living Rent levels.
- 6.33. This is following changes already made to Appendix C of the Housing Strategy agreed by Full Council in March 2018, in which the following changes were effected:
- Clarifying that the Council is keen to promote a range of intermediate housing, and that shared ownership is not the preferred product in all cases.
 - Noting how the affordable housing mix should be flexed in different areas.
 - Reflecting the Mayor's new London Housing Strategy.
 - Clarifying that, to be considered affordable, housing costs should represent no more than 40% of a household's net income.
- 6.34. It must be acknowledged that by applying policies to maximise homes at social rents in future schemes, it is likely that the overall quantity of affordable homes provided by these schemes may be lower. This is because only a certain amount of affordable housing can be funded by any particular scheme. The overall amount of affordable housing on a scheme could be increased if a higher proportion of that affordable housing is less costly to the scheme, such as shared ownership. However, it is recommended that the Housing Strategy is amended to prioritise homes at social rents, recognising the pressing need for more homes at social rents to meet the most acute forms of housing need in the borough.
- 6.35. The proposed new Appendix C of the Housing Strategy 2017-2022 is attached at Appendix 1.
- 6.36. This appendix will be consulted on with those stakeholders to whom it applies, ie Housing Associations and developers operating in the borough. Following

consideration and agreement at Cabinet in early 2019, Full Council will be asked to agree it at its meeting in March 2019.

Appendix D of the Housing Strategy 2017-2022

- 6.37. It is proposed to delete Appendix D of the Housing Strategy 2017-2022. The existing Appendix is primarily a discussion of the need for different types of affordable housing. Most of the substantive content of this appendix is already contained in the Strategy and the remainder has now been updated and incorporated into the revised Appendix C, rendering Appendix D redundant.
- 6.38. This simplifies any potential future updates of the Strategy, which can focus on a single updateable Appendix.

7. Contribution to strategic outcomes

- 7.1. The proposed changed direction of Haringey's housing strategy and the proposed changes to Appendix C of the existing Strategy follow directly on from the proposed new approach to housing in Priority 1 of the emerging 2019-2023 Borough Plan.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. This report recommends the changes to Appendix C of the Housing Strategy set out at appendix 1 of this report, and the deletion of Appendix D of the Housing Strategy, and recommend that Full Council adopt these changes.
- 8.2. There are likely to be significant financial implications for the Council for both the Housing Revenue Account and the General Fund in the implementation of the projects towards the new Housing Strategy for Haringey.
- 8.3. The underlying projects will be reported in future cabinet reports, on a case-by-case basis, and each financial implication will be assessed accordingly, when details become available.
- 8.4. At this stage there are no direct financial implications regarding recommendations 3.1 to 3.3.

Legal

- 8.5. The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and makes the following comments.
- 8.6. In view of the fact that the case for the proposed amendment to the Housing Strategy is borne out of the ambitions of the new Administration, coupled with the changing landscape at both regional and national level since the Strategy

was adopted, means that there are no direct legal implications arising out of this report.

8.7. Members will be aware that in carrying out its consultations, the Council must comply with its own consultation policy, and adhere to the so called 'Sedley principles'. These are :

- (1) That consultation must be at a time when proposals are still at a formative stage;
- (2) That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
- (3) That adequate time must be given for consideration and response; and
- (4) That the product of consultation must be conscientiously taken into account in finalising any statutory proposals.

Procurement

8.8. Strategic Procurement notes the contents of this report. Property and land transactions are excluded under the Contract Procurement Regulations; however where works, services and goods are required to support the delivery of this strategy, Strategic Procurement will provide the necessary support in delivering these requirements.

Equalities

8.9. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.10. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.11. There are existing housing inequalities in Haringey, in particular in that:

- Women, young people and black people are over-represented among those living in temporary accommodation.
- Individuals with these protected characteristics as well as those who identify as LGBT+ and individuals with disabilities are known to be vulnerable to homelessness, as detailed in the Equalities Impact Assessment of the Council's Draft Homelessness Strategy.
- Residents on lower incomes are more likely to struggle to find suitable housing. We know that women are more likely to have lower incomes than men, disabled people are more likely to struggle to find employment, which

in turn impacts upon their income, and Haringey's BAME residents are likely to have lower incomes than non-BAME residents.

- 8.12. A new Housing Strategy will seek to continue to address these inequalities, in particular by:
- Delivering new Council homes at Council rents will help those currently living in temporary accommodation who are more likely to be women, young, or black
 - Prioritising the delivery of social rented homes over other types of affordable homes, which will help those currently living in temporary accommodation women, young, or black
 - Delivering supported housing will help older and disabled people in the borough
- 8.13. The proposed amendments to Appendix C of the 2017-2022 Housing Strategy will:
- Confirm that the Council's preference for low cost rented housing for general needs is for social rent at target rent levels – rather than Affordable Rent and London Affordable Rent.
 - Confirm that the Council's preference for intermediate housing is usually intermediate rent at London Living rent levels.
- 8.14. The Council has in the past year taken decisions that address housing inequality, such as the homelessness strategy, rough sleeping strategy and the decisions to establish a wholly owned company and to join the Capital Letters scheme, and the impact on equalities were considered for these decisions.
- 8.15. The new draft Housing Strategy will be accompanied by an Equalities Impact Assessment when it comes to Cabinet for approval to go out to consultation in 2019.

9. Use of Appendices

Appendix 1: Revised Appendix C of Haringey Housing Strategy 2017-2022

10. Local Government (Access to Information) Act 1985

Haringey Housing Strategy 2017-2022

http://www.haringey.gov.uk/sites/haringeygovuk/files/housing_strategy_2017-2022.pdf

Haringey's Draft Borough Plan for Consultation

<http://www.minutes.haringey.gov.uk/documents/s103960/Appendix%20A%20-%20Borough%20Plan%20document.pdf>